

Government Orders

government the next time we will listen to them and tax reform will follow the wishes of the people of Canada.

[*Translation*]

The Acting Speaker (Mr. Paproski): The time for comments has expired. Debate. The Hon. Minister of State for Finance.

Hon. Gilles Loiselle (Minister of State (Finance)): Mr. Speaker, I am pleased to take part in this debate on the Goods and Services Tax Bill. This debate is all the more important in that it involves the future of the country, one might say. We are indeed faced with a difficult and complex problem today, because our national debt is about \$320 billion. For ordinary people, \$320 billion is an almost inconceivable amount, almost unreal and unimaginable. Nevertheless, the effects of the national debt are very real and extremely serious.

To give you an idea of the size of this debt, consider the following: the government must spend 35 cents of every dollar in revenue to repay the debt. The government spends twice as much in interest on the debt as it does on senior citizens. The government spends 15 times as much on interest on the debt as it does on family allowances. Everyone will agree that this situation is not only deplorable it is unacceptable.

Even worse, despite all our efforts in the last five years to reduce expenditures, to improve the management of federal programs and services and to increase tax revenues, the national debt continues to grow. Any increase in the national debt inevitably results in higher interest payments on the debt. Well, Mr. Speaker, to use a famous phrase heard in Quebec in the early 1960s: It's got to change! We must end this vicious circle.

Replacing the present manufacturers' sales tax with the GST is an essential part of the government's program to build a stronger economy in an increasingly competitive world. We want to build a Canada that can meet the demands of the 1990s and the next century, a Canada where the quality of life will improve all the time, a Canada that will be better able to protect the environment and to provide advanced health care, satisfactory social security and quality education. But to reach our objectives, we must have a dynamic, competitive economy. I think that we must pursue two main

thrusts. First, we must continue to work to eliminate the deficit and growth in the public debt.

Second, we must pursue our efforts to achieve fundamental and consistent economic renewal, so as to give private initiative a free rein and limit government intervention.

During the past years we introduced a policy designed to promote job creation and the kind of investment that brings in new technology.

We have freed key economic sectors like transport and energy from a regulatory nightmare. We have improved patent and copyright legislation so that Canadian investors can obtain fair compensation for their ideas and efforts.

We negotiated a wide-ranging trade agreement with our most important trading partner, to provide our businesses with freer and more secure access to the richest market in the world.

We have played a major role in multilateral trade negotiations under GATT, and we have deployed a strategy for developing trade with the triumvirate formed by the United States, the European Community and the Pacific Rim.

We privatized Crown corporations whose mission no longer responded to the goals of public policy. Most of these corporations have added significantly to the number of jobs in this country and are expanding their operations.

The Canadian Jobs Strategy made it possible to restructure the government's employment programs, with major emphasis on training and preparing Canadians for steady, durable jobs.

We are helping to build the Canada of the twenty-first century. All the measures I have just described will help lay the foundation for durable growth that will generate productive jobs in the future.

The GST is essential to the success of our economic program. It will be a more reliable and more predictable source of revenue and, by stimulating growth, will help reduce the deficit. It will also eliminate the tax on exports, putting Canadian goods on an equal footing with imported goods on our domestic markets.

Implementing our economic program has made it necessary for a number of Canadians to make some adjustments which were not always easy, I agree. It is not